

EXHIBIT 2
DATE 3-6-07
806



START PROGRAM

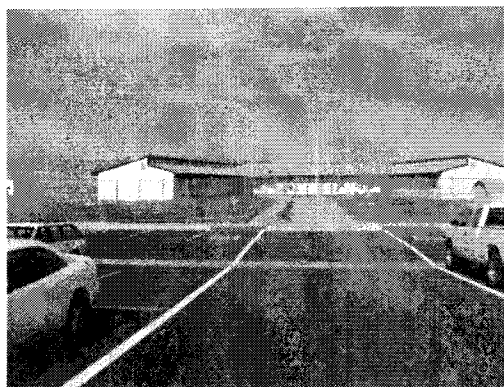
Sanction Treatment Assessment Revocation & Transition

The START Facility opened in December 2005 as an 80 bed assessment, treatment, revocation and sanction center for adult male offenders who violate the terms of their respective community placement. We received our first offenders from the Montana State Prison on 12-12-05 and since then we have completed 700 admissions and 628 discharges as of December 31, 2006 at a per diem rate of \$66.70 per offender per day. Our goal is to maintain a 50% community placement rate and we have surpassed that by maintaining nearly an 80% diversion rate for 2006. The average length of stay for an offender at START who is placed in a community program is 57.5 days. The average length of stay for an offender returned to the Montana State Prison can be anywhere from 17 months to 32 months.

We have made a number of improvements to this 30 year old facility, and I have inserted some before and after pictures to give everyone an idea of just how much work has been done in order to resurrect this former jail, MSP overflow, and MSH forensic unit.



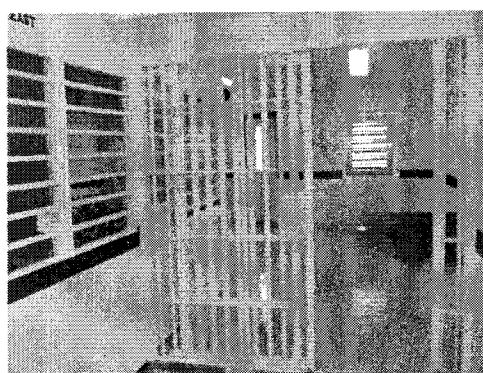
START Last Year 10-05



START This Year 10-06



East Lobby 10-05



East Lobby 10-06

Offenders assigned to the facility are designated as either a revocation or a sanction placement. We currently reserve sixteen beds for sanction placements.

Revocation

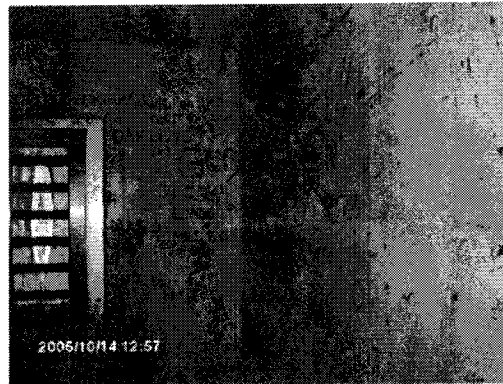
Revocation referrals includes offenders whose community placement has been revoked. Revocations may be confined to the START facility from 10 to 120 days. During this time period offenders are expected to maintain clear conduct and participate in program and work assignments. Facility case managers will attempt to salvage a community placement for eligible offenders. Failure to follow program recommendations and/or excessive or major disciplinary violations may result in program termination and the transfer of the offender to the Montana State Prison.

Sanction

Sanction referrals includes offenders whose community placement has not been revoked, but they have received a sanction to the START facility for a pre-determined time period as a result of a formal type of disciplinary hearing. Sanctions of 30 days or less may be imposed, however sanctions in excess of 30 days must be approved by the Community Corrections Administrator. Sanctioned offenders are also expected to maintain clear conduct and participate in program and work assignments. Sanctioned offenders will be returned to their previous status or program assignment upon completion of the sanction. Failure to follow START program recommendations and/or excessive or major disciplinary violations may result in additional formal disciplinary action which may include program termination, revocation and the transfer of the offender to the Montana State Prison.



Last Year Cell 10-05



Last Year Cell 10-05



Last Year Cell 10-05



START Cell October 2006

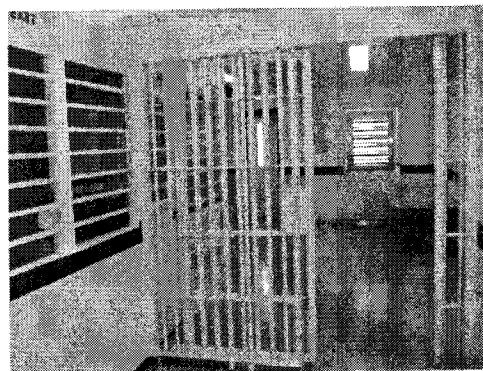
Assessment

Sanction and revocation admissions will typically be assessed during the first week of their confinement for treatment, program and aftercare needs. Our intake assessment tools include the following:

1. LSI-R (Level of Service Inventory-Revised) The LSI-R was developed by Don A. Andrews, Ph.D. and James Bonata, Ph.D., of Ottawa, Canada. The LSI-R is a quantitative survey of attributes of offenders and their situations relevant to the decisions regarding level of service.
2. Biopsychosocial
3. Medical Intake Screening
4. Mental Health Screening: Level I
5. Michigan Alcohol Screening Test
6. CAGE Questionnaire
7. SASSI
8. Treatment Plan



East Lobby 10-05



East Lobby 10-06



Cellblock 10-05



Cellblock 10-06

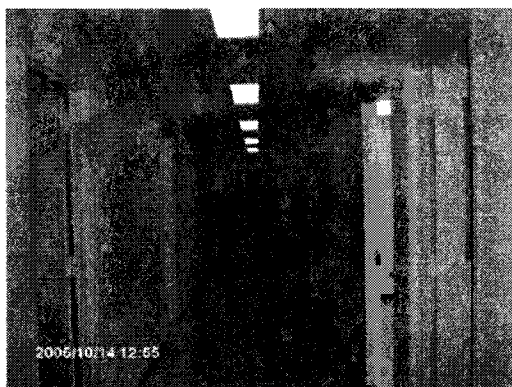
Programs

After the initial screening and assessment has been completed an offender may be assigned to one or more of the following programs according to needs assessment.

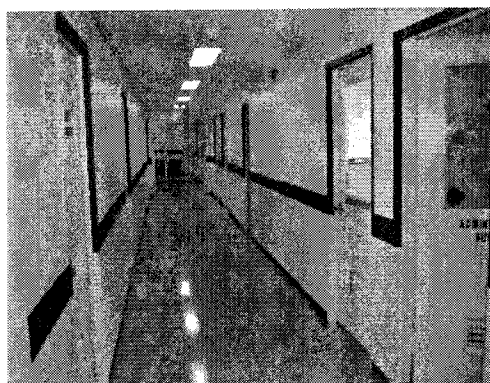
1. CPR (Cognitive Programs and Restructuring)
2. CTE (Criminal Thinking Errors)
3. Anger Management
4. Relapse Prevention
5. Life Skills
6. Changes Program
7. Alcoholics Anonymous

In addition to the above programs the Chaplain visits the facility on a weekly basis. Also, Offenders not precluded from manual labor due to medical or other reasons are assigned to a work program, placed on our work roster and rotated through various facility work assignments.

Dayroom, yard and gym recreation is permitted during scheduled times when offenders are not attending groups or work assignments. Gym and recreation yard activities are directly supervised by staff and in addition the recreation yard fence is equipped with a double row of razor wire.



Last Year Main Hall 10-05



START Main Hall 10-06

Security Program

The security staff provides direct supervision care seven days a week twenty-four hours a day. Offender pat searches, cell searches, area searches and inspections are conducted on a routine and random basis. All offenders are required to submit UA samples at intake and on a random basis during their confinement in the facility. A minimum of seven official counts are conducted daily. At least one of the seven daily counts is a stand-up count. Offenders are returned to their cells and the facility is placed on lockdown status for official and emergency counts and from 10:30 PM to 5:30 AM. Census checks are conducted on a random basis as needed by the Security Supervisor. Offenders are confined to the facility and escorts outside of the facility typically require direct staff supervision and full restraints. The facility is also equipped with a four cell wing which

may be used as a locked housing unit area. Disciplinary reports utilize violation codes adopted from the Montana State Prison disciplinary policy.

START Summary

The START facility is located on the campus of the Montana State Hospital in Warm Springs, Montana. Warm Springs is located on Interstate 90 approximately 20 miles northwest of Butte and approximately 14 miles southeast of Deer Lodge. The START facility was formerly the Butte Silver Bow jail and prior to that it was used by Montana State Prison as an overflow unit. Our physical address on the Warm Springs campus is 450 Trapper Way.

The START Program is a highly structured, intensive treatment modality designed to encourage cognitive and behavioral change. Our goal is to provide a safe environment in which offenders can begin to experience positive change, a never-ending process that will be utilized throughout their life.

CCCS in partnership with Montana Department of Corrections identified the overwhelming problem of overcrowding concerns in our prison and jail systems. Exacerbating the over taxed system and limited bed space was the demand to transfer Montana inmates out of state, however because of similar problems in the surrounding states, MDOC began exploring cost effective in-state placements.

The existing START facility was identified as a potential site to handle 80 offenders. With minor renovations, the facility was brought online in a timely manner to address the MDOC's exigent concerns regarding lack of bed space.

The original goal of the program was to reduce admissions to the Montana State Prison by 50%. Additionally it was determined that an emphasis would be placed on the offender population that had been participating in community programs and/or under community supervision and whom had committed technical violations that warranted a secure placement. A service delivery program incorporating a comprehensive array of assessment tools and intensive treatment models were implemented in an effort to return all technical violators back into their original community status, thereby eliminating costly, lengthy prison stays.

The following information (graphs) demonstrate the START program's efficacy in not only meeting the 50% goal, but more importantly diverting a phenomenal 79% of respective offenders back into a community placement.

In addition to the immediate cost savings, additional benefits are generated by requiring these offenders to secure gainful employment, pay family support, and be self-sustaining, generating tremendous additional savings.

Facility Contacts:

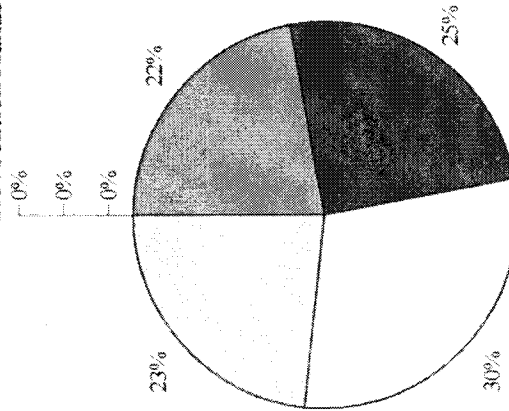
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START Admissions
December 2005 through October 2006

Type of Revocations Admitted	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept	Oct.	Total
Conditional Release Violators	14	6	12	9	12	12	13	11	9	8	12	118
Prerelease Violators	16	8	20	11	10	10	11	17	18	7	17	145
Parole Violators	19	13	4	7	4	3	5	10	12	6	11	94
Boot Camp Quitters	15	3	2	12	4	4	0	0	3	0	2	45
Intensive Supervision Violators	0	0	0	0	0	2	0	0	0	2	3	7
Connections Corrections Violators	0	0	1	1	0	0	0	1	0	0	0	3
Probation	0	0	0	0	0	0	0	0	0	1	0	1
Total												413

Revocation Admissions By Type



- Conditional Release Violators
- PreRelease Violators
- Parole Violators
- Boot Camp Quitters
- Intensive Supervision Violators
- Connections Corrections Violators
- Probation

In addition to the revocations listed above, the START program has admitted 185 Sanctions and 5 Holds for a total admission count of 603 offenders.

START Revocation Placements by Type

Revocation Placement	December 2005 through October 2006												Total
	December	January	February	March	April	May	June	July	August	September	October		
Community Placement	1	11	19	27	19	19	27	15	26	20	31		215
MSP-BOPP Mandate	0	6	5	13	1	2	6	10	8	8	8		67
MSP-Terminated	3	2	3	0	1	3	9	3	4	0	3		31
MSP - Warrants	0	1	1	0	0	0	1	1	1	0	2		7
MSP - CTC Refusal	0	4	2	5	6	3	0	2	0	1	0		23
MSP-Infirmiry	0	0	0	0	0	0	0	0	0	1	0		1
Total													344

Community Placement – Offenders placed in community based programs such as PreRelease Centers, Intensive Supervision, Connections Corrections, etc

MSP-BOPP Mandate – Board of Pardons & Parole has denied community placement and returned the offender to MSP

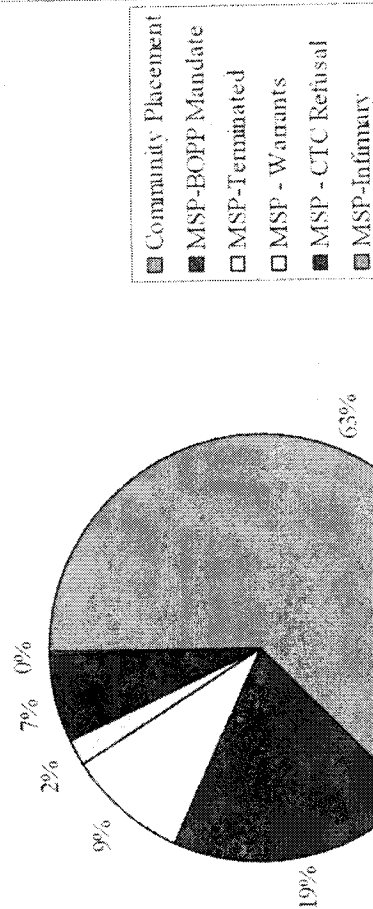
MSP-Terminated – Offenders terminated from START due to disciplinary or failure to comply with program and returned to MSP

MSP-Warrants – Offenders who are returned to MSP because of outstanding felony warrants

MSP – CTC Refusals – Offenders who are remanded to MSP due to their refusal to attend or return to boot camp

MSP – Infirmiry – Offenders returned to MSP due to medical conditions

Revocation Placement



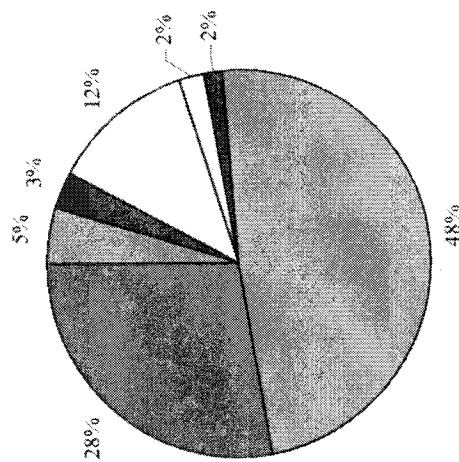
One goal of the START Program is to divert prison placement by a rate of no less than 50%. Our current diversion success rate of 79% clearly exceeds the original goal and validates the programs effectiveness. The high success rate has resulted in a cost savings for the tax payer and a reduction in prison overcrowding.

BOPP Mandates, MSP Warrants and MSP Infirmiry remands are not counted in our success/failure rate because they are unable to participate in the program.

START Community Placement Breakdown

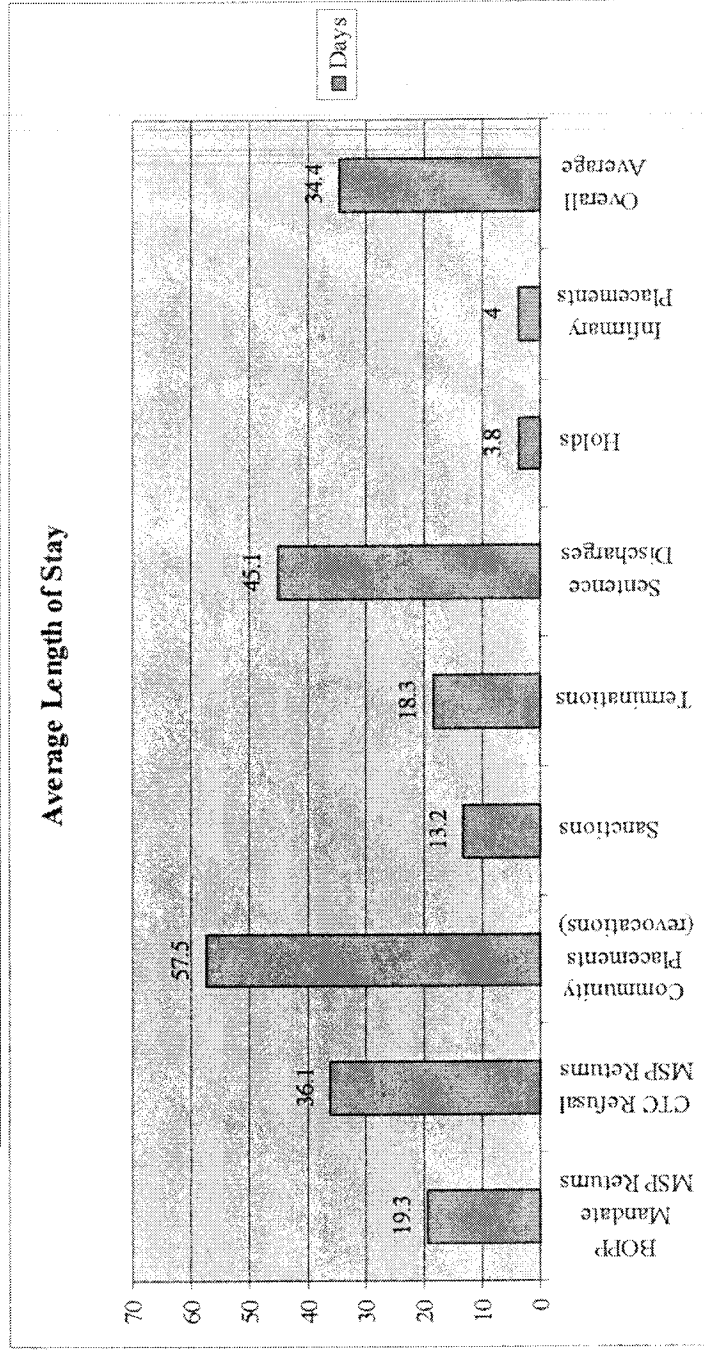
December 2005- October 2006	
Community Placement	
Intensive Supervision Prog.	10
Probation & Parole	7
Boot Camp	26
Conditional Release	4
WATCH	4
Prerelease Centers	104
Connections Corrections	60
TOTAL	215

Community Placement Breakdown



This chart shows which community corrections programs the offenders have transferred to after completing the START Program.

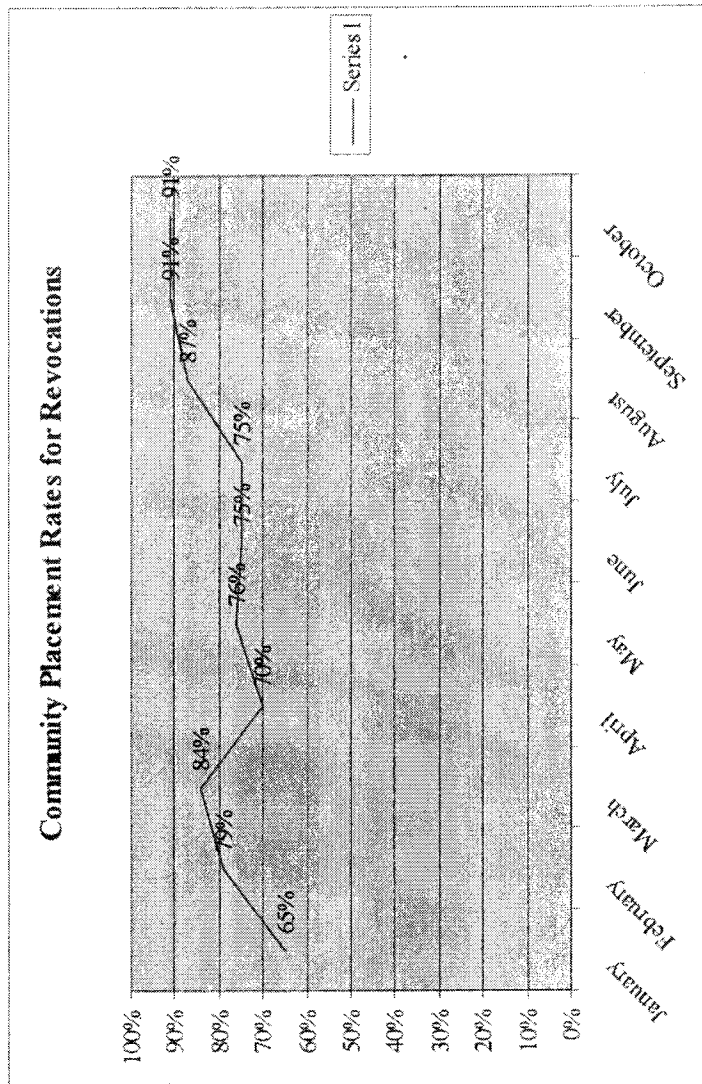
START Average Length of Stay	
	Days
BOPP Mandate MSP Returns	19.3
CTC Refusal MSP Returns	36.1
Community Placements (revocations)	57.5
Sanctions	13.2
Terminations	18.3
Sentence Discharges	45.1
Holds	3.8
Infirmary Placements	4
Overall Average	34.4



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START Program Community Placement Rates for Revocations

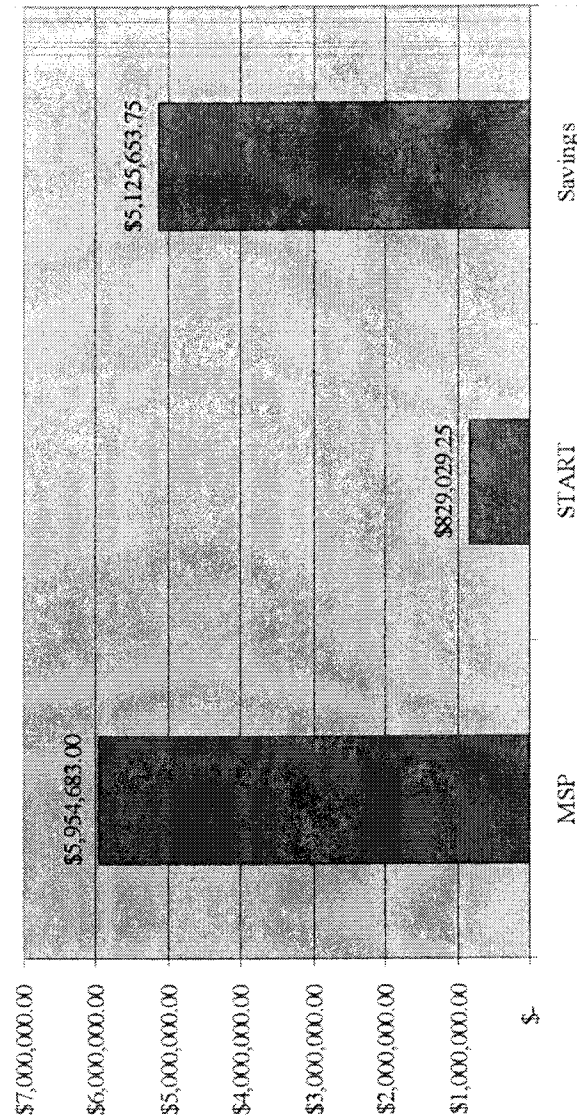
Community Placement Rates									
January - October 2006									
January	February	March	April	May	June	July	August	September	October
65%	79%	84%	70%	76%	75%	75%	87%	91%	91%



These statistics that run from January 2006 through October 2006 demonstrate the high percentile of offenders that are returned to the community rather than being returned to the prison system.

12 Month Cost Analysis Revocations			
	MSP	START	Savings
Average Stay (days)	365	57.5	
Cost Per Offender	\$ 27,696.20	\$ 3,855.95	\$ 23,840.25
Total Cost Per 215 revocations based on average length of stay	\$ 5,954,683.00	\$ 829,029.25	\$ 5,125,653.75

12 Month Cost Analysis

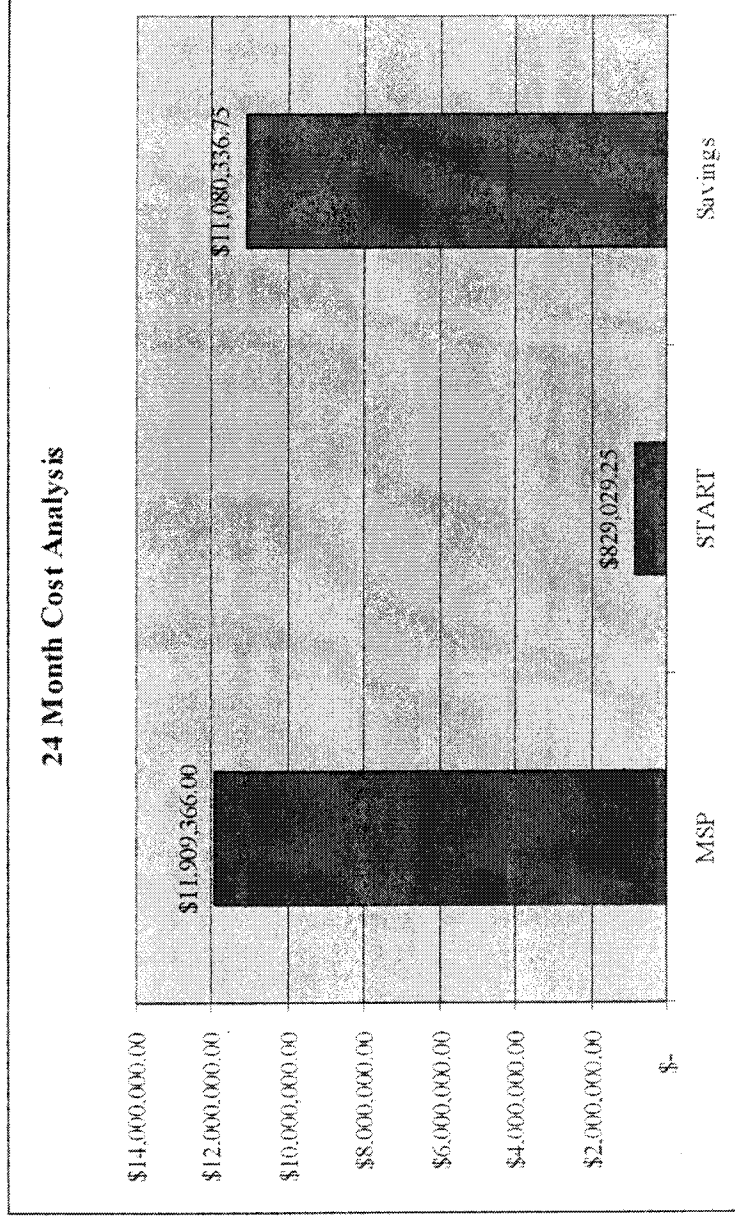


12 Month Cost Analysis

The START program per diem is \$66.70 per offender per day under our current contract. The DOC cost estimate, with added administrative and medical costs, is \$67.06 for offenders in the START program and \$75.88 for offenders in MSP. The average length of stay at MSP for a sexual offender revocation is 32 months, a violent offender revocation is 25 months and a regular offender revocation is 17 months. The average length of stay for a revoked offender placed in the START program is 57.5 days. We have elected to show a cost analysis of an offender placed at MSP for an average stay of one year compared to a placement at START for an average stay of 57.5 days. On the next page, we will show a two year analysis.

24 Month Cost Analysis

24 Month Cost Analysis			
Revocations			
	MSP	START	Savings
Average Stay (days)	730	57.5	
Cost Per Offender	\$ 55,392.40	\$ 3,855.95	\$ 51,536.45
Total Cost Per 215 revocations based on average length of stay	\$ 11,909,366.00	\$ 829,029.25	\$ 11,080,336.75



The aforementioned cost analysis indicates that there is a tremendous savings to the MDOC and ultimately the taxpayers of the state of Montana. Using the START facility to sanction and program offenders and therefore returning them to their original community placements timely has demonstrated itself to be a viable, cost efficient sentencing alternative for the state of Montana's criminal justice system.